INDUSTRY, TOURISM AND INVESTMENT

OVERVIEW

MISSION

The Department of Industry, Tourism and Investment (ITI), in partnership with others, provides quality programs and services to promote and support Northwest Territories (NWT) economic prosperity and community self-reliance.

GOALS

1. Promote and support a diversified economy that provides opportunities for NWT residents.
2. Promote and support the development of business opportunities, including agriculture, commercial fishing, the traditional economy, tourism, trade, investment, manufacturing, and secondary industries.
3. Promote the sustainable development of natural resources that respects the conservation and protection of the environment for our future generations.
4. Promote and support the efficient development, utilization and marketing of energy resources to achieve self-sufficiency, maximize economic opportunities, and realize affordable energy costs.
5. Secure economic and employment opportunities from responsible resource development for NWT residents.
6. Develop partnerships with individuals, businesses, communities, Aboriginal organizations and other governments to foster prosperity and community self-reliance.

PROPOSED BUDGET

Compensation & Benefits	$15,666
Grants & Contributions	$17,172
Other O&M	$10,330
Amortization	$779
Infrastructure Investment	$2,961

PROPOSED STAFFING

Headquarters (HQ)	76 positions
Regional/Other Communities	87 positions
Total	163 positions

KEY ACTIVITIES

- *Corporate Management*
- *Mineral and Petroleum Resources*
- *Energy*
- *Tourism and Parks*
- *Economic Diversification and Business Support*

STRATEGIC ACTIONS

The Department will take the following actions in support of the government's strategic initiatives:

- *Support Diversification (Maximizing Opportunities Initiative)*
- *Promote the NWT as a Place to Visit and Live (Maximizing Opportunities Initiative)*
- *Maximize Benefits from Resource Development (Maximizing Opportunities Initiative)*
- *Improve Quality and Cost of Shelter (Reducing the Cost of Living Initiative)*
- *Address Factors that Impact the Cost of Goods (Reducing the Cost of Living Initiative)*
- *Expand Programming for Children and Youth (Building Our Future Initiative)*

EMERGING ISSUES

There are a number of emerging issues that will have an impact on ITI's programs and services, and how they are delivered during the 2009/2010 fiscal year. The relevant socio-economic trends and forecasts, as well as the strengths, weaknesses, opportunities and threats of ITI's operating environment, have all been taken into consideration when developing ITI's Business Plan.

KEY ISSUES FACING THE NWT ECONOMY ARE:

- A heavy reliance on the resource sector; primarily diamonds, oil and natural gas. Continued development in the resource sector, for diamonds and other resources, is required to maintain economic growth. Resource development provides direct employment and business opportunities for a wide range of NWT residents and businesses.
- Reliance on a few industries, however, emphasizes the need to diversify the NWT economy. There is a need to diversify the economic base into other industries such as tourism and manufacturing, as well as to recognize the important role of the traditional economy. Opportunities also exist to diversify mineral production into base metals, gold and other commodities.
- The danger of reliance of the NWT economy on resources is highlighted by the recent world financial system crisis and subsequent movement of a number of major economies into or near recession. The situation has affected the ability of a wide range of businesses to access capital, either through loans or equity markets. Lower commodity prices have resulted from the economic slowdowns as well. NWT resource development projects could be affected by low commodity prices and limited access to investment capital.
- Climate change is another significant factor that can impact the economy. Initiatives to reduce greenhouse gas emissions will be required to ensure the NWT is doing its part in mitigation. There will be positive and negative impacts on tourism related to renewable resource use, while agricultural opportunities may expand somewhat. The effects on resource development have already been felt by operators through a shortened ice road season, which could also impact communities that rely on resupply through ice roads.
- Population growth has been minimal. Rotational workers result in almost $334 million in economic leakage and a lack of skilled labour to take existing job opportunities. There exists a strong correlation, greater than 97%, between businesses and population. Retail and service businesses are particularly dependant on population.
- Strong Gross Domestic Product (GDP) growth is not reflected in all regions of the NWT. Considerable disparities continue to exist between larger centres and small communities. These disparities are reflected in lack of opportunities and higher costs in most small communities.
- Considerable potential exists to develop renewable and cleaner energy resources to help address rising fuel prices and global warming concerns. Utilizing NWT energy sources such as hydro or natural gas would reduce the NWT's reliance on imported fossil fuels and strengthen the economy.
- Development of the Mackenzie Gas Project (MGP) will open up NWT natural gas resources and provide tremendous opportunities for NWT business, while placing demands on government beyond its current capacities.

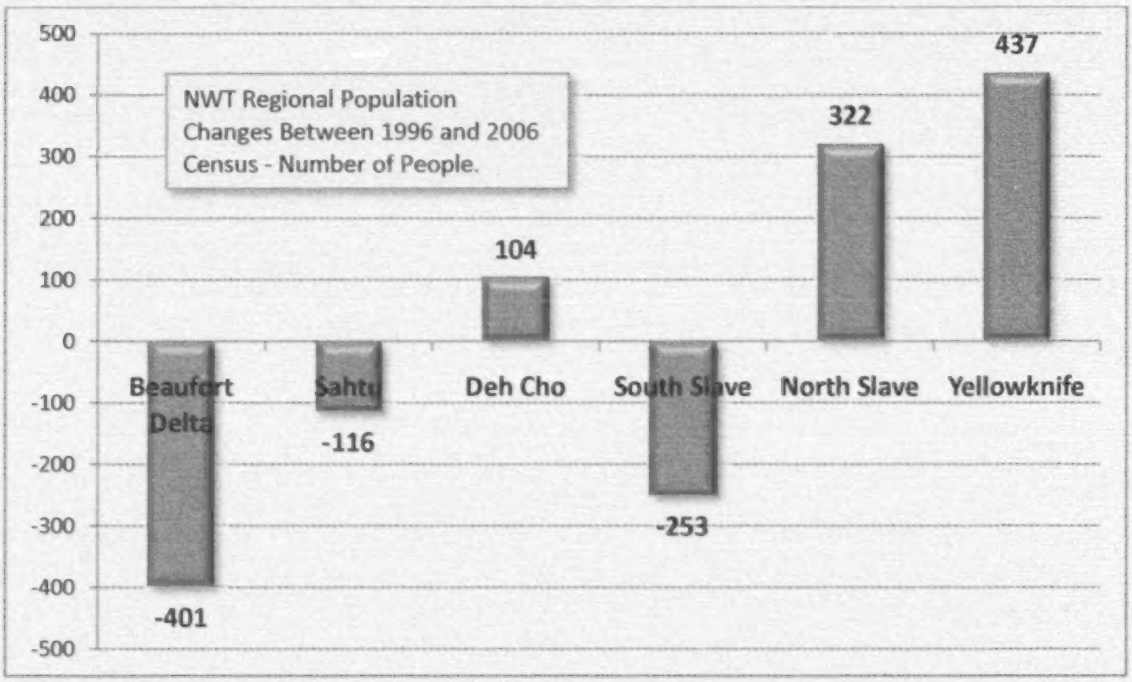
DEMOGRAPHICS

Local business markets are a combination of population and incomes. Yellowknife accounts for 45% of the population, a further 22% live in the other four regional centres, while 33% of the population live in

28 small, largely Aboriginal communities. Even with record GDP growth, overall population growth has been minimal, with average net growth of 269 people per year over the past 5 years. Over the past five years, 6,410 NWT residents moved to Alberta. Residents have also moved from regions with limited resource development. Populations have increased in Yellowknife and the North Slave Region, but declined in the Beaufort-Delta and South Slave Regions.

Population and incomes determine local markets. With limited population growth, the ability of many service and trade businesses to expand is limited. It can also reduce the availability of labour, limiting the ability of northern businesses to expand and take advantage of spin-off opportunities in the resource sector.

Chart 1: Population Change by Region 2006-1996



Source: NWT Census Data

OVERALL ECONOMIC PERFORMANCE

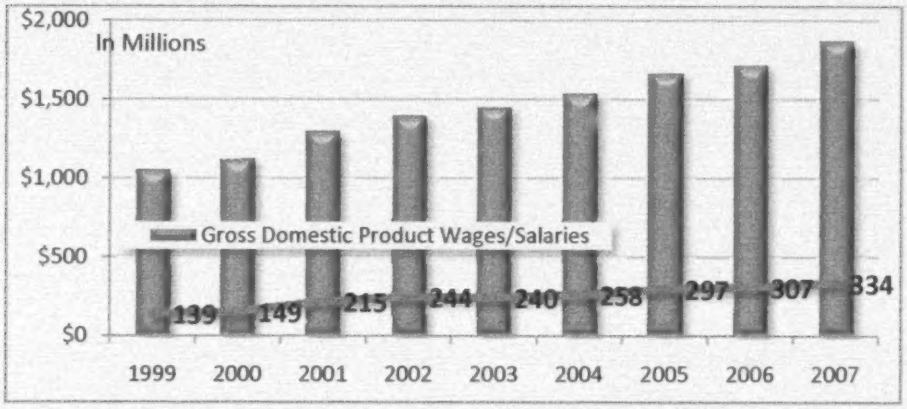
Economic growth in 2007 for the NWT was at 13.1%, highest among all provinces and territories; the Canadian average was only 2.7%. However, Nunavut was a close second at 13.0%.

On the expenditure side, both personal expenditures (up 4.3%) and business investment rose significantly (up 10.8%). Diamond mining accounted for the largest share of total GDP in 2007, $1,220.5 million or 31.3% of the total. Construction, largely in response to diamond mine investment, was the second largest industry at $594.6 million, or 15.2% of total GDP.

A significant portion of the GDP increase originated with corporate profits, which increased 17% over 2007. The growth in labour income earned in the NWT also increased close to 9%. As shown in Chart 2, however, the portion of non-resident labour income, represented by the red line, has also increased to

$334 million: the percentage has remained fairly constant in recent years at 18%. Currently rotational workers are used in the mining, oil and natural gas sectors, construction and the medical sector. Given the average Canadian household size of 2.5 people, the NWT is losing out on more than just the wages of rotational workers living outside the NWT.

Chart 2: Estimated Resident and Non-Resident Wages Earned in the NWT



Source: Series V1408014 and Series V1407346, NWT Bureau of Statistics (Updated October 2008)

EXPORTS AND IMPORTS

While exports have increased significantly, the NWT still runs a trade deficit. However, the deficit decreased from $442 million in 2006 to $252 million last year (about $6,000 per person). Diamonds constitute the largest export by value from the NWT. In 2007, carat production of diamonds increased 28%, while overall production value increased 13%. The value of oil exports increased slightly, on price, even as production declined. Natural gas exports have declined by about 50%.

MINING

At the end of 2007, the NWT had the only three commercially producing diamond mines in North America. Production for 2007 was $1.4 billion. Ontario will have Canada's fourth diamond mine when the Victor project goes into production in the first quarter of 2008.

Chart 3: Mineral Production in $'000

Annual	Gold	Silver	Tungsten	Diamonds	Natural Gas	Crude Petroleum
1999	$42,053	$156		$606,254	$11,690	$230,925
2000	$51,064	$243		$624,949	$103,068	$387,276
2001	$54,314	$207		$717,780	$207,283	$337,964
2002	$52,439	$237	$18,790	$801,469	$134,269	$332,609
2003	$42,820	$149	$29,755	$1,587,740	$177,908	$337,129
2004	$8,752	$27	$0	$2,096,718	$151,119	$366,704
2005	$0	$27	$8,155	$1,762,053	$120,010	$424,813
2006	$0	$0	$64,497	$1,567,019	$62,124	$462,994
2007	$0	$0	$71,875	$1,744,988	$54,459	$497,409

Source: NWT Bureau of Statistics, updated October 2008

Mineral exploration dropped to 4.8% of Canada's total over 2008. Mineral exploration in the NWT consists of grassroots exploration projects, exploration around abandoned and existing mines (e.g., Yellowknife Gold Project and the Ekati Claim Block, respectively) and advanced feasibility studies (e.g., Gahcho Kué project).

OIL AND NATURAL GAS

While the NWT's resources are largely undeveloped and unexplored, oil and natural gas exports were valued at $552 million, with a GDP contribution of $226 million for oil and natural gas extraction alone, in 2007. Production occurred from the Norman Wells oil field and the Cameron Hills oil and natural gas fields. When natural gas flows down the proposed MVP, natural gas production will exceed $2.2 billion annually. There is a total discovered marketable reserve of 9 trillion cubic feet (tcf) of gas, plus an estimated undiscovered 52 tcf in the Mackenzie Delta / Beaufort Sea region. Several oil companies have already proposed major exploration programs in the Beaufort Sea. In the past two years, $1.7 billion has been committed to spending on oil and natural gas exploration in the Beaufort Sea.

MANUFACTURING

Current manufacturing in the NWT is dominated by diamond processing, manufacture of products for industry and unique northern products. Overall sales have declined significantly over the past three years, from $92 million in 2005 to an estimated $47 million in 2007. The NWT's manufacturing sector is dominated by diamond cutting and polishing. The Increases and decreases reflect the relative activity by the diamond manufacturing sector.

Chart 3: Value of Manufacturing in the NWT (2003 to 2007)

	2003	2004	2005	2006	2007
NWT manufacturing industries $ millions	**78.3**	**81.0**	**92.4**	**75.3**	**46.9**

Source: NWT Bureau of Statistics. Updated October 2008

RENEWABLE RESOURCE HARVESTING AND AGRICULTURE

The agriculture, forestry, and fishing industries in the NWT had estimated sales in the range of $8 million. Based on a 2004 study, the value of subsistence harvesting was estimated at a further $20 million. As a means of livelihood and cultural retention, renewable resource harvesting and agriculture remain vitally important, particularly in the smaller communities. About 40% of NWT residents over 15 years of age spend time on the land fishing and hunting.

TOURISM

Visitor spending, including both leisure and business segments, was valued at $113.6 million between May 1, 2006 and April 20, 2007. Leisure visitors travel to the NWT year-round with distinct market segments of: winter and spring aurora viewing, summer road traffic, fishing, and fall hunting. New opportunities are developing for Aboriginal tourism that will promote unique Aboriginal cultural experiences. The NWT is capturing an increasing share of the meetings and conventions travel market, with a tremendous potential to accelerate this growth.

ENERGY

Rising energy costs, and the growing impact of our energy use on the environment, point to the need to displace imported diesel with local energy sources. Examining the potential use of alternative sources (e.g., biomass, wind) and applying these technologies for use in our northern environment, is an area that will require attention in the coming years. The NWT also has significant potential with regard to more conventional sources of energy. Conversion of communities to natural gas for home heating and electricity generation and the further development of the NWT's world class hydro potential are two such opportunities.

FISCAL POSITION AND BUDGET

Departmental Summary

	Proposed Main Estimates 2009-2010	Main Estimates 2008-2009	Revised Estimates 2007-2008	Main Estimates 2007-2008
		($000)		
OPERATIONS EXPENSE				
Corporate Management	6,576	6,661	6,735	6,564
Minerals & Petroleum Resources	6,268	6,018	6,816	6,801
Economic Diversification & Business Support	17,833	17,249	17,992	16,742
Tourism and Parks	12,741	10,646	8,888	8,342
Energy	529	5,019	3,770	420
TOTAL OPERATIONS EXPENSE	**43,947**	**45,593**	**44,201**	**38,869**
REVENUES	**1,313**	**1,663**	**1,893**	**1,893**

Operation Expense Summary

	Main Estimates 2008-09	Proposed Adjustments: Sunsets and Other Approved Adjustments	Proposed Adjustments: Reductions	Proposed Adjustments: Forced Growth	Proposed Adjustments: Strategic Initiatives	Proposed Adjustments: Internal Reallocation of Resources	Proposed Budget 2009-10
				($000)			
Corporate Mgmt							
Directorate	**2,304**	0	(35)	0	0	0	**2,269**
PLC	**1,022**	0	(96)	121	0	0	**1,047**
Shared Services	**2,037**	(28)	(10)	0	0	0	**1,999**
Corporate Costs	**1,245**	(58)	0	0	0	0	**1,187**
Amortization	**53**	21	0	0	0		**74**
					0	0	
Total Activity	**6,661**	**(65)**	**(141)**	**121**	**0**		**6,576**
Minerals and Petroleum Resources							
MVPO	**1,959**	(1,338)	0	50	1,864	0	**2,535**
Industrial Initiatives	**730**	(104)	0	0	0	0	**626**
Minerals, Oil & Gas	**3,314**	0	(422)	200	0	0	**3,092**
Amortization	**15**	0	0	0	0	0	**15**
Total Activity	**6,018**	**(1,442)**	**(422)**	**250**	**1,864**	**0**	**6,268**
Econ Diversification and Business Support							
Invest & Econ An	**17,197**	0	(214)	0	850	0	**17,833**
Amortization	**52**	(52)	0	0	0	0	**0**
Total Activity	**17,249**	**(52)**	**(214)**	**0**	**850**	**0**	**17,833**
Tourism & Parks							
Tourism & Parks	**9,918**	(77)	0	120	2,090	0	**12,051**
Amortization	**728**	(38)	0	0	0	0	**690**
Total Activity	**10,646**	**(115)**	**0**	**120**	**2,090**	**0**	**12,741**
Energy							
Energy	**5,019**	(4,490)	0	0	0	0	**529**
Amortization	**0**	0	0	0	0	0	**0**
Total Activity	**5,019**	**(4,490)**	**0**	**0**	**0**	**0**	**529**
TOTAL DEPARTMENT	**45,593**	**(6,164)**	**(777)**	**491**	**4,804**	**0**	**43,947**

Revenue Summary

	Proposed Main Estimates 2009-2010	Main Estimates 2008-2009	Revised Estimates 2007-2008	Main Estimates 2007-2008
		($000)		
General Revenues				
Investment Interest	1,100	1,450	1,600	1,600
Parks Merchandise	30	30	60	60
Tourism Operators Licences	33	33	33	33
Trade Mark Royalties	150	150	200	200
	1,313	1,663	1,893	1,893
TOTAL REVENUES	**1,313**	**1,663**	**1,893**	**1,893**

KEY ACTIVITY 1: CORPORATE MANAGEMENT

Description

The Corporate Management activity consists of Directorate; Policy, Legislation and Communications; Corporate Costs; and Shared Services (Finance and Administration, and Informatics).

Directorate includes the Deputy Minister and the Assistant Deputy Minister – Programs and Operations, and is responsible for overall direction and coordination of Departmental programs.

Policy, Legislation and Communications provides policy, legislative, strategic planning, coordination and communications support to enable the Department to respond effectively to economic and resource development issues of concern to the NWT. This function is responsible for coordinating environmental assessment and land management activities for ITI. This function also coordinates the Department's participation in Aboriginal lands, resources and self-government negotiations, and provides input to negotiations for devolution of land and resources management from the Federal Government.

Corporate Costs captures Department wide specific costs such as lease payments, vehicle and building maintenance, fuel, etc.

Shared Services provides services to ITI and Environment and Natural Resources (ENR). Finance and Administration provides financial management and administrative services to the Departments. Informatics is responsible for information systems that support the Departments in developing and managing databases and web systems in order to provide information to decision-makers and the public.

Major Program and Service Initiatives 2009/10

Shared Services – Finance and Administration will continue to provide financial and administrative support to ITI through training, budgeting and financial reporting.

Informatics is undertaking the following systems development projects:

- **Electronic Records Management:** ITI is one of the lead departments working on a GNWT wide initiative to implement an electronic records management system. The primary objective is to provide a system to allow the efficient storage and retrieval of information.
- **DMACS:** The Diamond Monitoring and Certification System is used to track and certify diamonds mined in the NWT. DMACS is a comprehensive system that incorporates and improves functions from the previous systems improving tracking, auditing and reporting of information.
- **Licensed Tourism Operators Database** – is used to monitor and track the status of licensed tourism operators in the NWT. This system is hosted on a Citrix server as a MS Access 2000 application and is under consideration for incorporation in LISIN Phase II.
- **Parks Permitting System** – is a standalone MS Access system provided to contractors at the start of the camping season for their use in issuing campground and day park permits to facility users, at the end of the camping season, the MS Access databases are returned to ITI and information is pooled for analysis and reporting.

- **Parks Reservation System** – is an online web application, allowing park users to reserve campsites in advance at 11/17 Territorial Campgrounds.

- **Arts and Crafts Database and Website** – the website includes a database that is a directory of artists, suppliers, funding agencies, and related industry information. The website promotes the NWT Arts branding of artists work, authenticating products to consumers world-wide, as created and produced in the NWT.

- **Fur Harvest Database** – is a financial management system that tracks and reports all of the harvest transactions of fur bearing species from the NWT to auction, facilitating an advance to the trapper at the time the pelts are brought in to a wildlife officer and calculates Prime Fur Bonuses after each sale and Grub Stakes in the fall.

- **The Exceptional Assistant** - This new system consists of off-the-shelf organizational management software, the core module plus 2 of 8 available modules, that has been customized for use to track BDIC loans and ITI Grants and Contributions

Four Year Business Plan Update

Results to Date

Shared Services – Finance and Administration has completed the variance reporting and ITI is currently on schedule to meet its 2008/09 targets.

Changes to Four Year Plan

PLC – PLC will add a Land and Environmental Affairs Analyst position that will analyze and coordinate ITI involvement in, and input to, environmental assessment and land management initiatives.

PLC – as a result of the Target Reduction exercise, the Communications and Marketing Specialist position was eliminated.

Informatics – As a result of the Target Reduction exercise, the Multi-Media Assistant position was eliminated. The balance of the Informatics position have been re-profiled to ENR.

KEY ACTIVITY 2: MINERALS AND PETROLEUM RESOURCES

Description

ITI leads the development and promotion of initiatives and strategies to increase NWT economic benefits from mineral and petroleum exploration and operations and from pipeline development activities. ITI supports informed decision-making by providing geosciences data, through the Northwest Territories Geoscience Office (NTGO).

ITI supports the negotiations for devolution of land and resources management from the Federal Government.

ITI is also responsible for the management of socio-economic effects of resource development by coordinating interdepartmental cooperation with industry through socio-economic agreements, and coordinating interdepartmental cooperation to support development of the MGP.

These activities are delivered through PLC, the Minerals, Oil and Gas Division (MOG), the NTGO, the Mackenzie Valley Pipeline Office (MVPO), the Industrial Initiatives Unit and ITI's Regional Offices.

Major Program and Service Initiatives 2009/10

Results to Date

Mackenzie Gas Project – In 2008/2009, ITI provided financial support to the Aboriginal Pipeline Group (APG), supported impacted Aboriginal Governments with capacity building contribution funding and provided financial support to the Dehcho First Nation for the negotiation of Access and Benefits Agreements. ITI updated an analysis for the potential for value-added and secondary industries and a detailed investigation of the economics of converting three NWT communities to natural gas heating and power generation.

Northwest Territories Geoscience Office – In 2008/2009, significant progress was made in new geological mapping, regional geochemical and airborne geophysical surveys, mineral deposit studies, improvement to outreach services, and development of a web-based GIS application for discovery and download of NWT geoscience information. Publications released by NTGO in 2008/2009 can be found at: www.nwtgeoscience.ca.

Mineral and Petroleum Resource Development – In 2008/2009, a pilot economic model for oil and gas production was written and basic input data for this model was collected; economic models of mines and mineral exploration projects were updated; input was provided into the Tyhee, Tamerlane, Gahcho Kué and Prairie Creek Environmental Assessments; support was provided for the development of GNWT position on boundary for an expanded Nahanni National Park Reserve; input was provided into the review of regulatory initiatives (Northern Offshore Regulatory Review, Northern Regulatory Reform Initiative); ITI led the GNWT's Intervention before Alberta Energy and Utilities Board – Natural Gas Liquids Inquiry, the GNWT's Intervention before NEB – TransCanada Application and the GNWT's Intervention before the NEB – Mackenzie Gas Project.

Management of Socio-Economic Effects of Resource Development – In 2008/2009, ITI established the MGP Socio-Economic Advisory Board through registration as a society; ITI continued to implement the Ekati, Diavik and Snap Lake SEAs; the 2007 Communities and Diamonds Report was released. ITI participated in the Gahcho Kué Environmental Assessment. Efforts were initiated towards establishing collaboration between all mines and the GNWT. An MoU was signed in November, 2008.

Support for the NWT Diamond Industry - In 2008, one new cutting and polishing factory was opened in Yellowknife. The DCAS database was completed and implemented. ITI initiated a review of the 1999 GNWT Support to Diamond Manufacturing – Policy Framework. GNWT inspections of the De Beers Snap Lake mine rough and valuation process continued. Negotiations with the mines on the provision of rough for NWT approved manufacturers commenced in June 2008 and are on-going.

Changes to Four Year Plan

MVPO - Through the Target Reduction exercise, support to Tax-based communities was reduced in 2008/09 and 2009/10 and there is a reduction in effort on development of Socio-economic sub-agreements and program expenditures associated with coordination of GNWT efforts for the MGP.

MOG – Through the Target Reduction exercise, the following reductions were made:

- Elimination of the Mineral Economic Analysis Function – an elimination of the economic analysis of operating mines and mineral exploration projects and associated position (i.e., the Mineral Economist).
- Elimination of efforts to promote the NWT to the mineral exploration investment sector and associated position (i.e., the Resource Development Specialist).
- Elimination of the Inuvik Oil and Gas Sub-Office – an elimination of the community-support program delivered through the Inuvik Oil and Gas Sub-Office and associated position (i.e., the Inuvik Oil and Gas Advisor).
- Elimination of the Prospector Grubstake Program – this contribution program was reduced to $50,000 in 2008/2009 and will be sunsetted effective March 31, 2009.

MOG –will add a Mineral and Petroleum Development Analyst position that will analyze impacts of land use management initiatives on resource development.

Energy and Mines Ministers Conference 2010 – ITI will host this Federal/Provincial/Territorial Conference in August 2010.

Northern Mining Workforce Initiative – ITI and Education, Culture and Employment entered into a MOU with the three operating mines to increase the number of NWT residents employed at the mines. This will include strategies to develop the education and mining skills of NWT residents and strategies, including the National Marketing Campaign, to attract skilled workers and their families to the NWT.

Four Year Business Plan Update

Mackenzie Gas Project – ITI will support the development of the MGP and related induced development by providing leadership and coordination to ensure policy development and actions that result in NWT residents achieving the greatest possible benefits of these developments while minimizing any potential negative impacts.

Northwest Territories Geoscience Office – ITI, in partnership with Indian and Northern Affairs Canada, will continue to provide support for the NTGO. ITI will continue to seek long-term funding for geosciences.

Mineral and Petroleum Resource Development – ITI will monitor exploration, transmission and operations of mineral and petroleum developments to provide analysis and advice to NWT residents, communities and governments. ITI will participate in the analysis of land use and regulatory initiatives to provide information to NWT residents, communities and Government on their impacts on mineral and petroleum development to support informed decision-making.

Management of Socio-Economic Effects of Resource Development – ITI will support the appropriate management of socio-economic effects of resource development through the negotiation and implementation of Socio-Economic Agreements (SEAs). This function is ongoing and continued through 2008/2009.

Support for the NWT Diamond Industry – ITI will support existing and emerging diamond mines and manufacturers. ITI will lead in updating the 1999 GNWT Support to the Diamond Manufacturing Industry Policy.

Measures Reporting

*Measures**

Number of geoscience products released to client:	30
Number of community and client meetings:	137
Number of Diamond Certificates Issued:	25,000
Funding For Geoscience:	$2.9 M
Funding For the Aboriginal Pipeline Group:	$250,000

- For time period April 1, 2008 to September 30, 2008

Milestones

Induced Development Analysis: *Not funded in 08/09*
Secondary Industry Analysis: *final update report in early 2008/09.*
Implementation of MGP Socio-Economic Agreement: *MGP Socio-Economic Advisory Board was registered as a society in 2008/2009.*

KEY ACTIVITY 3: ENERGY

Description

ITI leads the development of GNWT energy policy and planning activities that support the sustainable development, generation and use of NWT energy resources, and promote the availability of affordable energy for all NWT residents.

These policy, planning and GNWT-wide coordinating functions, are delivered through the Energy Planning Division.

Major Program and Service Initiatives 2009/10

Results to Date

GNWT Energy Priorities Framework – tabled in the Legislative Assembly in October 2008, this Framework identifies GNWT energy priorities over the next three years.

NWT Hydro Strategy – A Draft NWT Hydro Strategy was tabled in the Legislative Assembly in October 2008 and consultations initiated.

NWT Electricity Review – discussion paper released and community consultations initiated.

Natural Gas Conversion – ITI has examined the technical and economic feasibility of supplying natural gas or gas generated electric power to communities in proximity to the proposed MGP. To-date it has been concluded that it may be economical to convert a number of communities to natural gas heating and power production, particularly the communities of: Fort Simpson, Tulita, and Fort Good Hope.

Changes to Four Year Plan

GNWT Energy Priorities Framework – development of a detailed plan, monitoring and reporting on a number of energy priority investments to support the Energy Priorities Framework.

Four Year Business Plan Update

NWT Hydro Strategy – completion of consultations will lead to a final NWT Hydro Strategy being released in 2009/10 and baseline environmental and engineering work will begin on identified emerging hydro development opportunities.

NWT Electricity Review – A review of electricity rates, regulation and subsidy programs will be undertaken to ensure that NWT residents have access to reliable and affordable electricity. In 2008/2009, the NWT Electricity Review was implemented and community consultations commenced.

GNWT Energy Priorities Framework – An Energy Priorities Framework will be developed that builds on the Vision, Goals and Priorities of the 16th Legislative Assembly, the development of a detailed NWT

Energy Report on GNWT energy activities and investments, and the development of a renewed NWT Energy Plan (2011). In October 2008, the Energy Priorities Framework was released. This Framework provides a detailed plan for investment in these priorities will be released and implemented in 2009/10.

Natural Gas Conversion – In preparation for the proposed MGP, detailed economic and engineering work will be required to allow some Mackenzie Valley communities to take advantage of natural gas. Initial analysis indicates that conversion of Fort Good Hope, Tulita, and Fort Simpson may be feasible.

Measures Reporting

Milestones:

A decision to construct the Taltson Hydro Expansion will be made by 2010. Expansion completed by early 2013: The Taltson project is currently in the environmental process and on schedule.

The first mini-hydro project in the NWT will be completed by 2011/12: Feasibility studies are underway and plans to develop a project are on schedule.

Economic and technical plans will be completed for the conversion of some NWT communities will be completed by 2012: The Phase II pre-feasibility report is complete.

A results report with GNWT-wide measures on energy programs and initiatives will be completed by mid-2009: On schedule.

KEY ACTIVITY 4: TOURISM AND PARKS

Description

ITI develops and implements NWT tourism strategies with partners in the tourism industry, supports and participates in global marketing of tourism, and develops, operates and maintains public tourism facilities, including a system of NWT parks that supports and promotes tourism.

These activities are delivered through the Tourism and Parks Division and ITI's Regional Offices.

Major Program and Service Initiatives 2009/10

Results to Date

Tourism 2010 – ITI accessed an additional $1,357,318 through partnerships; received funding from INAC through the Strategic Investments in Northern Economic Development fund (SINED) for two tourism research projects; received funding for three infrastructure projects; provided Human Resource Training through the Northern Learning Institute and produced a manual and workbook to deliver Tourism Business Development Planning in the communities; and the Research Committee approved and funded six research projects totaling $151,600 for 2008/09.

Aboriginal Tourism Strategy – The development of an Aboriginal Tourism Strategy has begun with Aboriginal organization engagement planned for 2009/10.

Parks Renewal – Work on the Parks Merchandise Program has begun for the Parks Branding initiative.

Update of Parks Regulations - Consultation on proposed changes to the permits and fees under the *Territorial Parks Regulations* was completed in August 2008 and the results were submitted to an independent review panel. The panel's recommendations were submitted to the Minister of ITI. The amendments to the Regulations are expected to be finalized in early February 2009. The 2009 season begins in most territorial parks on May 15, 2009.

Four Year Business Plan Update

Activities planned for the upcoming year include:

Tourism Product Diversification and Marketing (TPDM) Program – The new TPDM Program will assist tourism businesses to develop new tourism products in response to market opportunities, and diversify the product base of individual businesses and the industry as a whole. ITI will continue to deliver this program.

Tourism 2010 – Work on Tourism 2010's five key areas will continue: tourism training, product development, marketing, research and infrastructure.

Aboriginal Tourism Strategy – ITI will develop a new strategy to engage the NWT Aboriginal community more fully in the tourism industry.

Tourism Operator Licensing – ITI will consult on improvements to the Regulations under the *Tourism Act*.

International Promotions – ITI will partner with the Yukon and Nunavut to promote increased tourism to all three territories by domestic and international travellers.

Parks Renewal – ITI is launching several initiatives to renew the value of our Parks system as a tourism asset, such as: **Parks Branding** to promote NWT parks to residents and non-residents; **Parks Blueprint Plan** to create a series of blueprints for Parks facilities in order to save the Department money on design work and to provide consistency of facilities throughout the system; **Parks Contract Operators Manual** to provide consistency of program and service delivery throughout the system.

Conference Center in NWT – ITI will support and facilitate all opportunities that are identified to develop a conference centre in the NWT.

Changes to Four Year Plan

Parks' Immigrant Population Research – In response to changing demographics, ITI undertook a research project with partners from BC Tourism, Ontario Parks and Parks Canada to explore the attitudes of the immigrant population in Canada towards camping and recreation in parks.

NWT Road and Campground Guide – The Road and Campground guide will be revised in 2009/10.

Image Software Update – ITI purchased new software for their image collection in order to better manage the collection and to allow user access.

Tourism Training – Tourism training parameters have changed in response to regional and community demand. Training will now be done one-on-one rather than in a group environment.

Parks Consultation – ITI undertook public consultation on Parks' fees, extended stays and the online reservation system with changes to be implemented in 2009/10.

Parks Telephone Reservation System – In response to public demand, ITI is researching the development of a telephone reservation to be operated alongside the on-line reservation system.

Conference Center in NWT – ITI will support and facilitate all opportunities that are identified to develop a conference centre in the NWT.

Measures Reporting

Number of business products created or expanded:	36
Number of Aboriginal-specific tourism products/businesses created:	13
Number of new tourism attractions created/expanded:	1
Operator satisfaction with the licensing system:	Unknown
Number of people using NWT parks and campgrounds:	9833 parties (2007)
Number of people using the online reservation system[(1)]:	3128

(1) implemented May 1, 2008

- For time period April 1, 2007 to March 31, 2008

KEY ACTIVITY 5: ECONOMIC DIVERSIFICATION AND BUSINESS SUPPORT

Description

ITI supports and promotes tourism, business investment, and renewable resources to promote business and wage opportunities, and to diversify the economy, and develop business opportunities. Specific programs support arts and fine crafts, agriculture, fisheries, trapping and commercial game harvesting.

ITI supports informed decision-making by providing economic data, market intelligence, sector information and opportunity studies. In conjunction with the NWT Business Development Investment Corporation (BDIC) and Community Futures, ITI facilitates access to investment capital.

ITI works with business associations to promote the NWT as a place to invest and live.

The Business Incentive Program (BIP) and GNWT Contract Registry promote new business opportunities within GNWT Contracting. Memorandum's of Understanding (MoUs) on Government Contracting are maintained with the Gwich'in and Sahtu Aboriginal Governments.

ITI also supports incoming and outgoing trade missions through arranging logistics and provision of appropriate reference materials and presentations for participants. In addition, ITI promotes the NWT as a place to invest, at trade shows such as Prospects North, maintaining the InvestNWT website, and other advertising.

These activities are delivered through the Investment and Economic Analysis (IEA) Division, the NWT BDIC and ITI's Regional Offices.

Major Program and Service Initiatives 2009/10

Results to Date

SEED Policy – The new SEED Policy was implemented on September 1, 2008. Funding approved or committed under the old BDF policy as of September 1, 2008, was $1.8 million.

Community-based Support – Funding to support community economic development officers increased to $1.45 million. Support for Community Futures remained at $1.1 million.

Enhancing Agriculture – The small scale food programs assisted 18 communities with development of community market gardens. Gardens ranged from 1,000 square feet to over half an acre.

Minister's Advisory Panel – Terms of reference and the Minister's advisory panel were implemented. Appointments to the MAP were made in 2008 and the MAP operational.

Great Slave Lake Fishery – A special market study was completed over 2008. Implementation options are being reviewed with industry.

Domestic and International Trade Issues ITI will continue to monitor and participate in negotiations to represent GNWT interests.

Changes to Four Year Plan

MOUs on GNWT Contracting – An agreement has been signed with the Sahtu Secretariat Incorporated (SSI) and has been renewed with the Gwich'in Tribal Council (GTC). The Department is currently in discussions with the Gwich'in Tribal Council and the Inuvialuit Regional Corporation regarding development of two new MOU's.

Air Market Study – An air market study completed in cooperation with Indian and Northern Affairs and the Department of Transportation.

Four Year Business Plan Update

Activities planned for the upcoming year include:

Support to Entrepreneurs and Economic Development (SEED) Policy – SEED is a new Policy that has replaced the BDF and Grants to Small Business Policies. The new SEED policy was implemented effective September 1, 2008. An enhancement of $1 million is planned for 2009/2012 to ensure the SEED policy programs have sufficient funding to meet growing demand.

Community-based Support – Operational funding provided for community economic development officers and Community Future organizations is ongoing.

Enhancing Agriculture –The Department will focus on small commercial venture opportunities, where feasible, to include egg production, syrup production, floriculture, limited livestock and niche crops.

Minister's Advisory Panel – A panel representing industry associations and Chambers of Commerce was formed to provide regular dialogue to the Minister of ITI regarding matters relating to the economy.

Genuine Mackenzie Valley Program (GMVF) – Continuation of GMVF marketing and support programs aimed at supporting trappers in all communities. Subject to third party participation, expansion of Northern Canadian Wild Fur collection marketing program with Yukon, Nunavut, Fur Harvesters Auctions, and DIAND.

Traditional Economy – Continuing Take a Kid Trapping programming with the aim of building new partnerships and securing increased financial participation to address increased demand. Consolidation of Local Wildlife Committee and Community Harvesters Assistance Programs to increase and acknowledge community based priorities and decision making. Encourage the submission of outstanding proposals to the Western Harvesters Assistance Program in support of sunsetting program. ITI will develop a strategic framework to identify economic development opportunities within the traditional economy and renewable resource sectors.

Assessment of Mineral Development Options in the North Slave – in cooperation with the NWT and Yellowknife Chamber of Commerce and NWT/Nunavut Chamber of Mines, ITI will undertake a major assessment of mineral development in the Slave Geological province.

MOUs on GNWT Contracting – ITI plans to develop two new MOUs with the Gwich'in Tribal Council and the Inuvialuit Regional Corporation.

Investment Promotion – in co-operation with NWT business organizations, ITI undertakes targeted marketing to encourage both increased investment in NWT businesses and the creation of new business enterprises.

Internal Trade and International Trade Policy – Negotiations at a national level related to improving the flow of goods and services within Canada with the completion of negotiations on Agriculture, Dispute Resolution and Energy. Ensure that the interests of the NWT are protected in trade agreements negotiated by the Government of Canada. ITI continues to participate in AIT negotiations with the primary focus being to ensure that any agreement on energy matters maintains NWT's ability to undertake regional development initiatives in relation to future oil and gas development.

Labour Attraction – In cooperation with the business community support initiatives to attract a trained workforce to the NWT. In cooperation with ECE, work towards increased labour mobility within Canada and the development of a Provincial Nominee Program to attract skilled foreign workers. There is also a need to determine the composition and reasons for the increase in outward migration from the NWT.

Attraction of Federal Infrastructure. – Develop a business case for the movement of Federal staff and associated infrastructure to the NWT. These include the strengthening of military presence and the movement of the northern section of Indian and Northern Affairs.

IEA – as a result of the Target Reduction, the Investment and Evaluation Consultant and the Manager, Investment position were eliminated.

Measures Reporting

1. ***Amount of contributions provided by region, community level and sector:***
   In the fiscal year 2007/2008, ITI provided $1.8 million in contributions to 210 individuals, businesses and organizations in the NWT. Approximately 51% of total funding went to aboriginal businesses. Within the community groupings, a majority of assistance was allocated to Level 3 communities.

2. ***Loans and training delivered by Community Futures:***
   Community Future Corporations approved ninety-seven loans totalling $3.6 million in the 2006-07 fiscal years. Average annual loan approvals were $3.5 million.

3. ***Amount of funding levered by contributions:***
   ITI estimates that through its various contribution programs, the Department was able to leverage over $15 million in additional funding.

4. ***Feedback from private sector and government users on accuracy, relevance and timeliness of information and analyses provided for decision-making:***
   Feedback received from our Regional delivery offices has been very positive to-date.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES
Action: Support Diversification

Description

- **New SEED Policy and Enhanced Funding**: The Support to Entrepreneur and Economic Development (SEED) Policy is a contribution fund to promote business and community economic development, including additional support for targeted sectors.
- **Parks Renewal – Capital and Operations and Maintenance:** Refurbishing flagship park infrastructure, protecting park buildings of high historical value and increasing capacity to handle growing demand.
- **Cultural Interpretations at Parks:** Providing cultural interpretive programs to park visitors to improve the visitor experience.
- **Parks Operations:** Increasing the safety and security of campground visitors.
- **Tourism Product Diversification and Marketing Program (TPDM):** To help the businesses in the tourism industry to diversify and enhance their range of products to help attract more visitors to the NWT.
- **Western Harvesters Assistance Program:** More than $1,000,000 in funding will be matched by various communities throughout the NWT toward economic development initiatives.
- **Extend Tourism 2010:** Work with partners to develop Tourism 2015 to build upon the successes and momentum of the current Tourism 2010 Strategy.
- **Traditional Economy and Renewable Resource Sectors:** Work with ENR to develop a strategic framework to identify economic development opportunities within the traditional economy and renewable resource sectors in collaboration with ENR.

Activity to Date

SEED Policy – The new SEED Policy was implemented on September 1, 2008. Funding approved or committed under the old BDF policy as of September 1, 2008, was $1.8 million. Funding reallocated to SEED for the rest of the fiscal year was $700,000.

Parks Renewal – In 2008/10, Parks received $50,000 in funds from Strategic Initiatives to support Parks Renewal Operation and Maintenance.

Cultural Interpretation – In 2008/09, the Department received $250,000 from Strategic Initiatives for cultural interpretation projects.

Tourism Product Diversification and Marketing Program (TPDM): ITI approved $864,250 in funding to tourism operators and NWT Tourism for such activities as writing business plans, expanding marketing activities and creating new products.

Western Harvesters Assistance Program – of the initial $15 million fund established in 1994, approximately $14.5 million in commitments have been drawn down by eligible community organizations. Total investment in the sector generated from the commitments is $29 million.

Enhancing Agriculture – The small scale food programs assisted 18 communities with development of community market gardens. Gardens ranged from 1,000 square feet to over half an acre.

Great Slave Lake Fishery – A special market study was completed over 2008. Implementation options are being reviewed with industry.

Business Incentive Policy (BIP) – At September 2008, there were 1,188 businesses registered under BIP. BIP businesses won approximately 5,200 contracts worth $610 million over four fiscal years (2004/2008).

Contract Registry – provided detailed market information on 7,900 contracts, valuing approximately $1 billion.

Planned Activities - 2009/10

BizPal – Part of a Government wide commitment, ITI is implementing the new BizPal initiative in cooperation with the Government of Canada, municipalities, and industry associations.

Contracting Memorandum of Understanding on GNWT Contracting signed with Sahtu, Gwich'in and Inuvialuit Governments.

BIP – BIP will remain in effect through 2009/2010, with anticipated changes to be made effective 2010/2011 that will limit the maximum amount of a contract to which BIP applies, removes communities from having to apply BIP, and removes non-resident businesses from qualifying for BIP.

Assessment of Mineral Development Options in the North Slave – in cooperation with the NWT Chamber of Commerce, Yellowknife Chamber of Commerce and NWT/Nunavut Chamber of Mines, undertake a major assessment of mineral development in the Slave Geological province.

Western Harvesters Assistance Program - The aim is to conclude the program commitment by the conclusion of the 2009/10 fiscal year.

Replacement SINED Program – Co-ordinate GNWT efforts in deployment of the Federal SINED program and development of a Federally-funded Northern development agency

Traditional Economy and Renewable Resource Sectors: Work with ENR to develop a strategic framework to identify economic development opportunities within the traditional economy and renewable resource sectors.

Planned Activities – 2010/11 and 2011/12

SEED Policy – Continued funding for the SEED program. An evaluation of the SEED policy, in particular its impact on employment and business creation, will be undertaken.

BIP – The revised BIP will remain in effect, with continued monitoring of, and reporting on, effectiveness.

Economic Development Officers (EDOs) in communities will provide expertise to local entrepreneurs to develop businesses, and access the capital necessary to do so. ITI proposes to enhance funding to EDOs in 2010/11 and maintain that funding through 2011/12.

MOUs on GNWT Contracting – ITI proposes to undertaken an evaluation of various MOUs on Government Contracting with Aboriginal organizations as per each agreement.

Tourism 2015 – ITI will work with partners to develop Tourism 2015 to build upon the successes and momentum of the current Tourism 2010 Strategy. This activity will commence in 2008/2009 and carry through until 2011/12.

Falcon Broadband Network - This will contribute to a more effective delivery of GNWT programs to every region in the NWT as well as reduce the digital divide for the residents of the NWT; enabling them to conduct online business, communicate and pursue education opportunities regardless of where they live in the NWT. Funding is proposed to be implemented in 2009/2010 and continue through 2011/12.

Access to Capital and Business Support – Community Futures organizations will continue to be supported as a means of providing better access to capital and training to community businesses. Possible enhancements will be pursued through a renewed SINED program. Support to EDOs transferred to communities will also be maintained.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES
Action: Promote the NWT as a Place to Visit and Live

Description

- **Promote the NWT at 2010 Olympics:** ITI will work with Yukon and Nunavut to leverage national and international exposure offered by the 2010 Olympics in British Columbia, to promote the NWT as a premier destination to visit and live. There is also an international market for arts and fine crafts products that will be targeted at these events to help develop a market niche for the NWT.
- **National Marketing Campaign:** ITI will work with Yukon and Nunavut to develop cooperative advertising campaign to promote the North for investment and as a travel destination and place to live.
- **Promote Arts and Crafts Production:** ITI will promote increased use of the arts branding tag and make regional and community visits to promote production and marketing opportunities, either through retailers or directly through the internet, as well as promoting NWT art at appropriate national or international events.

Activity to Date

Promote the NWT at 2010 Olympics – A Deputy Minister's Committee on the 2010 Olympics has been struck, with a Working Group that involves ITI, MACA, ECE, and Executive. Meeting dates are now set to discuss the proposal.

National Marketing Campaign – Discussions have been held with Yukon and Nunavut around the advantages of carrying forward the National Marketing Campaign built around the 2007 Canadian Winter Games and a coordinator has been targeted to oversee the project.

Promote Arts and Crafts Production – During 2008/09 ITI continued to promote Arts and Fine Crafts production; register artists on the NWT Artists Database; promoted and implemented the NWT Arts Branding Logo Program; engaged in community programming consultations and e-commerce workshops; administered $25,000 in funding for artists; responded to inquiries regarding the NWT Film Commission; assisted with the NWT Artists Newsletter; and participated in numerous NWT Arts and Cultural Events.

Planned Activities - 2009/10

Promote the NWT at 2010 Olympics – The three territories will continue efforts to coordinate and collaborate. ITI will coordinate an NWT Day where a number of activities will be presented, including a live multimedia show at BC Place as part of the medal ceremonies, Inuit and Dene Games demonstrations and a Youth Ambassador program.

National Marketing Campaign – Through a coordinator, undertake discussions on initiatives that will duplicate the success of the previous National Marketing Campaign involving the three territories and create a workplan for 2009/10 and beyond.

Promote Arts and Crafts Production – Enhanced promotion of Arts and Fine Crafts production through community workshops to raise awareness of market needs and to train artists regarding usage of the internet to market their products directly, and to provide artists with a basic pricing model to ensure that they are receiving fair market value; expanding the arts branding tag program; development of an NWT Arts Marketing Strategy that will set priorities and objectives for the long-term marketing and promotion of NWT Arts.

Sports Hunter Marketing - Funding will assist sports hunter outfitters with marketing initiatives to help rebound their businesses. This could include targeting new markets for polar bear sports hunting (such as Mexico and Europe) or refocusing markets to non-consumptive product offerings (such as polar bear observation tours). Marketing will also help caribou outfitters re-built the reputation of that sector.

Planned Activities – 2010/11 and 2011/12

Promote the NWT at 2010 Olympics – The three territories will continue efforts to coordinate and collaborate. ITI will follow up with additional activities to continue the momentum gained during the 2010 Olympics.

National Marketing Campaign – Through a coordinator, all three territories will continue to implement the identified workplan initiatives.

Promote Arts and Crafts Production – Provide continued support of the promotion of NWT arts and fine crafts, to increase economic benefits for residents, to diversify the economy, and to develop business opportunities, and support marketing and promotional efforts, nationally and internationally, by raising awareness of the importance and value of traditional and fine arts and crafts in the NWT.

Sports Hunter Marketing – The Department plans to continue to provide support for sports hunter outfitters to assist with marketing initiatives.

Tourism 2015 – Implementation of Tourism 2015.

STRATEGIC INITIATIVE: MAXIMIZING OPPORTUNITIES

Action: Maximize Benefits from the MGP and Related Initiatives

Description

MGP Strategic Investment – ITI provides overall government leadership on the MGP to ensure that the MGP is constructed and operated in a manner which minimizes potential environmental and socio-economic impacts on the residents of the NWT while ensuring that residents benefit to the greatest degree possible. ITI provides support to Aboriginal organizations, businesses, and communities in their preparations to take advantage of MGP opportunities.

Energy Investment (Taltson) – ITI will fund and support the NWT Energy Corporation (03) Ltd. in the expansion of the Taltson Hydro System to supply NWT diamond mines with hydroelectric power.

Induced Development Investment – The decision to construct the MGP is expected in 2010/11. This decision will kick off an unprecedented exploration and development boom in the Mackenzie Valley, Delta, and Offshore regions. Investment in planning and preparation for this induced development is critical to ensure NWT residents benefit to the greatest degree possible. The Department has included this initiative as a proposal. It has not yet been approved for future year funding.

Environmental Management Opportunities – This initiative will initiate the baseline information process to ensure that NWT residents maximize their opportunities to take advantage of environmental management opportunities by identifying economic development opportunities associated with environmental management activities and monitoring.

Secondary Industry – ITI investment in this area will ensure that secondary industry development associated with the construction of the MGP and availability of natural gas as a clean, secure and cost-effective fuel. This will contribute to sustainable economic diversification in the NWT. The Department has included this initiative as a proposal. It has not yet been approved for future year funding.

Activity to Date

MGP Strategic Investment – Previous funding of the MGP Strategic Initiative has allowed GNWT Departments to work toward ensuring that the maximum benefit of the MGP will be available to NWT residents and any potential impacts are minimized. The Department's MVPO has been responsible for the coordination and communication of GNWT efforts in regards to the MGP, including participation in the Environmental Assessment and Regulatory Processes; training and development of northerners; support to business; coordination; and, preparation of Aboriginal organizations and communities in the affected Regions.

Energy Investment (Taltson) – Significant technical, environmental and pre-construction work is completed on the Taltson Hydro Expansion Project. The project is currently in the environmental assessment process.

Planned Activities - 2009/10

MGP Strategic Investment – ITI will expend $1,988,000 in 2009/10 in support of the MGP Strategic Initiative. Specific activities include continued operations for the MVPO in Hay River; funding for Aboriginal and business support contribution programs; implementation of operations of the MGP Socio-Economic Advisory Board and staff support; and the contracting of legal expertise in support of GNWT objectives in the National Energy Board hearing process and other regulatory requirements.

Energy Investment (Taltson) – Continued work in the pre-construction phase needs to be completed, followed by regulatory approvals and a decision to proceed to construction in 2009/10.

Environmental Management Opportunities – ITI will manage $250,000 of contribution funding in 2009/10 to provide funding for the delivery of four Environmental Monitor Training Programs, one each in the Inuvialuit, Gwich'in, Sahtu, and Dehcho regions. These training programs will be delivered by Aurora College in communities selected by the effected Aboriginal organizations.

Planned Activities – 2010/11 and 2011/12

MGP Strategic Investment - Activities as detailed in the MGP Strategic Investment Document will be implemented and will include: participation in the Environmental Assessment and Regulatory Processes; training and development of northerners; support to business; coordination; and, preparations of Aboriginal Organizations and Communities in the affected Regions.

Energy Investment (Taltson) – If the decision is made to proceed with development, construction will be completed over the 2010/11 and 2011/12 fiscal years. Power should be supplied to NWT diamonds late in 2012 or early in 2013.

Induced Development Strategic Investment – In years 2010/11 and 2011/12, ITI proposes to proceed with the investigation and evaluation of the predicted extent of future natural gas exploration and development activities that might reasonably be expected to be induced as a result of development of the MGP.

Secondary Industry Strategic Investment – In year 2011/12, ITI proposes to undertake preliminary research and investigation into potentially viable secondary industry opportunities associated with the MGP and the commercial availability of natural gas, to contribute to the continued economic diversification of the NWT economy.

STRATEGIC INITIATIVE: REDUCING THE COST OF LIVING
Action: Improve Quality and Cost of Shelter

Description

Addressing Cost of Utilities:

NWT Hydro Strategy – The NWT Hydro Strategy will establish a long-term approach to planning and investment. The NWT has world-class hydro development potential and as the economic and environmental costs of fossil fuels continue to increase, it is important that the NWT has a long-term approach to investment in our hydro potential.

Natural Gas Conversion – Natural Gas offers the opportunity to supply a number of communities in the NWT with clean, secure and cost-effective energy. Opportunities associated with construction of the MGP and supply of Natural Gas to communities will contribute to the future economic and energy security of the NWT. The Department has included this initiative as a proposal. It has not yet been approved for future year funding.

NWT Energy Plan Update – The cost of energy, the growing impacts of energy use on our environment, and the potential implications associated with climate change have been changing at a rapid pace. The NWT Energy Plan, released in May 2007, will be renewed in 2011, based upon results, as well as these rapidly changing circumstances. The Department has included this initiative as a proposal. It has not yet been approved for future year funding.

Activity to Date

NWT Hydro Strategy – A draft NWT Hydro Strategy has been completed and community consultations are nearing completion.

Natural Gas Conversion – Phase II of the feasibility study to convert Fort Simpson, Tulita, and Fort Good Hope to natural gas for heating and electricity generation is completed. The results in this report indicate that it is technically feasible to supply gas to the three communities through a natural gas distribution system.

Planned Activities - 2009/10

NWT Electricity Review – An overall Review of Electricity Rates and Regulations and an Implementation Plan will be tabled in the Legislative Assembly in 2009/10, with implementation to follow.

NWT Hydro Strategy – Completion of consultations will lead to a final NWT Hydro Strategy being released in 2009/10 and baseline environmental and engineering work will begin on identified emerging hydro development opportunities.

Natural Gas Conversion – Community consultations and additional planning will be undertaken with respect to the potential to convert Fort Simpson, Tulita, and Fort Good Hope to natural gas for heating and electricity generation.

Planned Activities – 2010/11 and 2011/12

Mini Hydro Project – In 2010/11, ITI plans to support the construction of a mini-hydro project and support the proposed expansion of the Taltson in 2011/2012.

NWT Energy Plan Update – Update of the NWT Energy Plan is scheduled for 2011/2012.

Natural Gas Conversion – ITI has planned for a detailed analysis and costing, including on the ground engineering studies in order to refine information and prepare and present the evidence and recommendations required for a policy decision on the future of natural gas conversion in the NWT.

STRATEGIC INITIATIVE: REDUCING THE COST OF LIVING
Action: Address Factors that Impact the Cost of Goods

Description

Electricity rates, regulation and subsidy programs will be reviewed to ensure that the NWT electricity system reflects the values of NWT residents, considers the unique circumstances of the NWT market, and is best-positioned to provide reliable and affordable power to NWT communities and residents.

Activity to Date

NWT Electricity Review – A Public Discussion Paper on the Electricity Review was released in 2008/09 and public consultations are underway.

Agriculture – The introduction and implementation of the small scale foods program in 23 communities in the NWT has provided communities with the opportunity to diversify their respective community economies, replace expensive imported food products, and add to their skills base.

Genuine Mackenzie Valley Fur – Smoked Mooschide/Traditional Tanned Caribou Hides programs are intended to increase supply of hides, by offering guaranteed prices to hide producers. Prices paid to hide producers will be the same as the prices for hides offered for sale; thereby eliminating selling margins and reducing costs of hides to the market.

Planned Activities - 2009/10

NWT Electricity Review – The completed Electricity Review and Implementation Plan will be tabled in the Legislative Assembly in 2009/10, with implementation to follow.

Agriculture –The Department plans to continue the Small Scale Foods Program as well as provide for technology and skills transfers (i.e. small greenhouses, waste heat recovery etc) with the aim to increase efficiencies and where possible extend seasons.

Genuine Mackenzie Valley Fur – Ongoing evaluation of market and prices to ensure reasonable returns to hide producers.

Planned Activities – 2010/11 and 2011/12

NWT Electricity Review – Further implementation if required.

Agriculture – This initiative has not been approved for future year funding.

Genuine Mackenzie Valley Fur - This initiative has not been approved for future year funding.

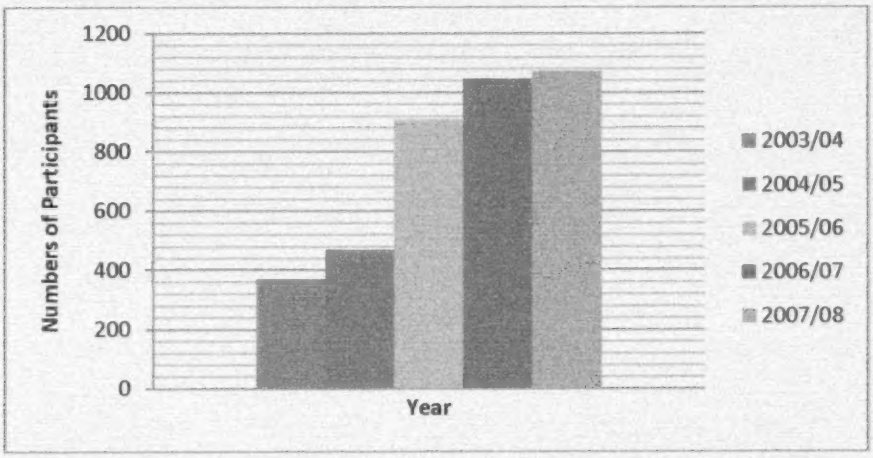
STRATEGIC INITIATIVE: BUILDING OUR FUTURE
Action: Expand Programming for Children and Youth

Description

Take a Kid Trapping – Through the Traditional Economy portfolio, ITI is expanding its Take a Kid Trapping Program. This Program provides funding to organizations such as schools to provide on-the-land, hands-on learning opportunities to youth related to traditional activities such as hunting and trapping. Take a Kid Trapping provides a means to introduce youth to traditional lifestyles, some of whom might continue these activities as adults.

Activity to Date

Total program expenditures of $225,000 per annum from all sources, serve initiatives in all regions. Participation of youth grows each year as does demand.



Demand continues to outstrip the financial resources available.

Planned Activities - 2009/10

For 2009/10 the number of youth projected to participate is 1,100. Non financial partnerships have evolved with a number of agencies who provide services in support of the program. These include Workers Compensation, St. John Ambulance First Aid, and other GNWT Departments. It is planned to continue to encourage increased participation in the trapping sector.

Planned Activities – 2010/11 and 2011/12

Continue providing support through the program with the aim to encourage increased participation in the trapping sector.

INFRASTRUCTURE INVESTMENTS

Activity to Date

There were two major infrastructure projects that ITI undertook during the 2008/09 fiscal year:

- A number of small capital projects for parks and campgrounds have been completed; these projects deal primarily with improvements to buildings (kitchen shelters, shower buildings), expansion of campsite loops, and access road upgrades.
- $75,000 was utilized toward a Project Officer that has been assigned and is currently in the progress of getting design work, finalizing programming requirements and retaining a consultant.
- Significant capital investment in the Doi T'oh Territorial Park and Canol Heritage Trail has been deferred until the land transfer for the Park from the Federal government to the GNWT occurs; this transfer is at least five years down the road, due to issues around assessment and clean up of contaminated sites in the area of the proposed Park

Planned Activities - 2009/10

There are only two large capital activities planned for 2009/10, which include the Visitor Information Center 60th Parallel, and the Doi T'oh Territorial Park and Canol Heritage Trail.

Planned Activities – 2010/11 and 2011/12

The major capital activities planned for future years include Parks Renewal items at numerous NWT parks and the continuation of work related to the Doi T'oh Territorial Park and Canol Heritage Trail.

LEGISLATIVE INITIATIVES

Activity to Date

Cooperative Associations Act – requires amendment to reflect needs of the co-op sector in terms of reporting requirements and filing. ITI also wishes to modernize the legislation in keeping with developments in this sector, both nationally and within the NWT. Representatives from ITI and the Department of Justice have been assigned to a working group to review the Act and research for the development of a legislative proposal is in the early stages. Amendments will not occur before 2009/10.

Planned Activities - 2009/10

Agricultural Products Marketing Act – Changes to the Act may be required to reflect the evolution of the egg industry in the NWT, so that the Minister has the necessary authority to ensure the industry is developing in a manner that benefits the NWT. ITI is currently reviewing the status of the NWT egg industry, and legislative amendments may be identified upon completion of the review.

Tourism Act – Upon the introduction of the *Tourism Act* in 2007, commitments were made to review the Tourist Deposit Assurance Program. Upon completion of a review of the Program, amendments to the *Tourism Act* may be identified.

Planned Activities – 2010/11 and 2011/12

Devolution-Related Legislation – Dependant on outcomes of devolution negotiations, statutory authority for federally devolved authorities may be required to be developed.

Other – ITI is presently engaged in preparing amendments to the *Territorial Parks Regulations* and amendments to regulations under the *NWT Business Development and Investment Corporation Act* and the *Tourism Act* may follow. It is foreseeable that in preparation of amendments to these regulations, minor amendments to the corresponding Acts could be identified as well.

HUMAN RESOURCE OVERVIEW

Overall Human Resource Statistics

All Employees

	2008	%	2007	%	2006	%
Total	**192**	**100**	**175**	**100**	**180**	**100**
Indigenous Employees	98	51	94	54	85	47
Aboriginal	58	30	52	30	48	27
Non-Aboriginal	40	21	42	24	37	21
Non-Indigenous Employees	94	49	81	46	95	53

Note: Information as of March 31 each year.

Senior Management Employees

	2008	%	2007	%	2006	%
Total	**23**	**100**	**21**	**100**	**22**	**100**
Indigenous Employees	8	35	8	38	7	32
Aboriginal	1	4	1	5	2	9
Non-Aboriginal	7	30	7	33	5	23
Non-Indigenous Employees	15	65	13	62	15	68
Male	19	83	17	81	18	82
Female	4	17	4	19	4	18

Note: Information as of March 31 each year.

Non-Traditional Occupations

	2008	%	2007	%	2006	%
Total	**30**	**100**	**23**	**100**	**12**	**100**
Female	8	27	6	26	5	42
Male	22	73	17	74	7	58

Note: Information as of March 31 each year.

Employees with Disabilities

	2008	%	2007	%	2006	%
Total	**1**	**100**	**0**	**0**	**0**	**0**
Employees with Disabilities	1	100	0	0	0	0
Other	0	0	0	0	0	0

Note: Information as of March 31 each year.

Position Reconciliation

This information differs from the employee information on the preceding page. Employee information reflects actual employees on March 31 of each year, and the information presented below reflects position expenditures approved through the budget process for each fiscal year.

Active Positions

Summary: The positions listed below show the currently active positions within ITI. This reporting period delineates the ITI positions affected through forced growth and target reductions, positions transferred to ENR and BDIC, as well as Interns and Vote 4/5 positions. The Interns have been removed from the Business Plan to ensure consistency with how other departments report.

	2008-09	Change	2009-10 Business Plan
Total	**205**	**(42)**	**163**
Positions added to ITI		3	
Positions deleted from ITI		(45)	
Indeterminate full-time	189	(41)	148
Indeterminate part-time	3	(1)	2
Seasonal	13	0	13

Adjustments approved through Business Planning Process:

Position	Community	Region	Add/Del	Explanation
Land/Enviro Affairs Specialist	Yellowknife	HQ	added – FT	Forced Growth 09/10
Mineral/Petroleum Dev Analyst	Yellowknife	HQ	added – FT	Forced Growth 09/10
Energy/Mines Ministers Conf Coor	Yellowknife	HQ	added – PT	Forced Growth 09/10
Total Approved			**3**	

Adjustments approved through Target Reductions:

Position	Community	Region	Add/Del	Explanation
10347 Com/Marketing Specialist	Yellowknife	HQ	deleted – FT	Target Reduction 09/10
10517 Multi-Media Assistant	Yellowknife	HQ	deleted – PT	Target Reduction 09/10
304 Resource Dev Specialist	Yellowknife	HQ	deleted – FT	Target Reduction 09/10
3250 Mineral Economist	Yellowknife	HQ	deleted – FT	Target Reduction 09/10

5234 Manager, Investment	Yellowknife	HQ	deleted – FT	Target Reduction 09/10
11360 Invest/Evaluation Consultant	Yellowknife	HQ	deleted – FT	Target Reduction 09/10
12453 Oil and Gas Advisor	Inuvik	B-Del	deleted – FT	Target Reduction 09/10
Total Approved			**(7)**	

Adjustments approved through Intergovernmental Transfers:

Position	Community	Region	Add/Del	Explanation
10869 Director, Informatics	Yellowknife	HQ	deleted – FT	Moved to ENR
469 Mgr. Library Services	Yellowknife	HQ	deleted – FT	Moved to ENR
11649 Internet/Intranet Administrator	Yellowknife	HQ	deleted – FT	Moved to ENR
6805 Sr. Informatics Bus. Analyst	Yellowknife	HQ	deleted – FT	Moved to ENR
5240 Database Admin/Analyst	Yellowknife	HQ	deleted – FT	Moved to ENR
10485 Database/Systems Tech	Yellowknife	HQ	deleted – FT	Moved to ENR
6043 Mgr. Remote Sensing	Yellowknife	HQ	deleted – FT	Moved to ENR
6718 Geomatics App Sys Specialist	Yellowknife	HQ	deleted – FT	Moved to ENR
741 GIS Specialist	Yellowknife	HQ	deleted – FT	Moved to ENR
3184 Geomatics Officer	Yellowknife	HQ	deleted – FT	Moved to ENR
7451 Remote Sensing Analyst	Yellowknife	HQ	deleted – FT	Moved to ENR
11333 Spatial Data Warehouse Admin	Yellowknife	HQ	deleted – FT	Moved to ENR
10292 Records Coordinator	Yellowknife	HQ	deleted – FT	Moved to ENR
11437 BDIC CEO	Yellowknife	HQ	deleted – FT	Moved to BDIC
2289 Director, Bus. Development	Yellowknife	HQ	deleted – FT	Moved to BDIC
2680 Director, Finance & Subs.	Yellowknife	HQ	deleted – FT	Moved to BDIC
7188 Mgr. Business Programs	Yellowknife	HQ	deleted – FT	Moved to BDIC
1474 Business Advisor	Yellowknife	HQ	deleted – FT	Moved to BDIC
10533 Administrative Assistant	Yellowknife	HQ	deleted – FT	Moved to BDIC
11405 Finance Officer	Yellowknife	HQ	deleted – FT	Moved to BDIC
11409 Manager, Business Services	Yellowknife	HQ	deleted – FT	Moved to BDIC
11410 Business Advisor	Yellowknife	HQ	deleted – FT	Moved to BDIC
12734 Subsidiary Advisor	Yellowknife	HQ	deleted – FT	Moved to BDIC
12735 Mgr, Policy, Acct & Comm	Yellowknife	HQ	deleted – FT	Moved to BDIC

12737 Information Analyst	Yellowknife	HQ	deleted – FT	Moved to BDIC
12736 Policy & Comm Officer	Yellowknife	HQ	deleted – FT	Moved to BDIC
12731 Board Support/Subs Marketing	Yellowknife	HQ	deleted – FT	Moved to BDIC
12732 Mgr, Budget, Planning/Subs	Yellowknife	HQ	deleted – FT	Moved to BDIC
12733 Comptroller	Yellowknife	HQ	deleted – FT	Moved to BDIC
Total Approved			**(29)**	

Adjustments approved relating to Interns:

Position	Community	Region	Add/Del	Explanation
12900 Intern – Energy Analyst	Yellowknife	HQ	deleted – FT	Term Completed
12659 Intern – Mineral Development	Yellowknife	HQ	deleted – FT	Term Completed
12888 Intern – Subsidiary Planning	Yellowknife	HQ	deleted – FT	Term Completed
12913 Intern – Com/Agr Specialist	Hay River	S Slave	deleted – FT	Term Completed
12621 Intern – Ec Dev Officer	Fort Smith	S Slave	deleted – PT	Term Completed
Total Approved			**(5)**	

Other Positions (Vote 4 Positions):

Summary: These numbers include Vote 4 positions (GNWT undertakes to perform certain functions on behalf of the Government of Canada or Others), that work for ITI but are funded by others.

Position	Community	Region	Add/Del	Explanation
11460 GIS Technician	Yellowknife	HQ	deleted – FT	Term Completed
12541 Information Mgt Assistant	Yellowknife	HQ	deleted – FT	Term Completed
12677 Project Geologist – Bedrock	Yellowknife	HQ	deleted – FT	Term Completed
12552 Client Srv/Admin Assistant	Yellowknife	HQ	deleted – FT	Term Completed
Total Approved			**(4)**	

Other Human Resource Information

One of the stated priorities of the Legislative Assembly is to "improve human resource management within the GNWT through training, career planning, and encouraging innovation by employees." To address this priority, the Department of Human Resources is leading the development of a Corporate Human Resource Strategy for the Northwest Territories Public Service. The completion of this overall strategy will provide a framework for the development of departmental human resource plans and initiatives, including the development of succession plans and affirmative action plans. This work will be undertaken during the 2009-2010 fiscal year and will ensure a consistent and coordinated approach across government, providing equitable opportunities for all staff.

Human Resource Activities

Summer Students

	2008	%
Total	**24**	**100**
Indigenous Employees	19	79
Aboriginal	9	38
Non-Aboriginal	10	42
Non-Indigenous Employees	5	21

Interns

	2008	%
Total	**3**	**100**
Indigenous Employees	1	33
Aboriginal	0	0
Non-Aboriginal	1	33
Non-Indigenous Employees	2	67

Transfer Assignments

	2008	%
Total	**11**	**100**
Indigenous Employees	5	46
Aboriginal	3	27
Non-Aboriginal	2	18
Non-Indigenous Employees	6	55

Note: Information as of September 30, 2008

Activities Associated with Staff Training & Development

It is ITI's intention to develop a Departmental Human Resources Strategy that would deal with: attrition, retiring employees, affirmative action and training, specific to the department and in cooperation with the overall GNWT Human Resources initiatives.

INFORMATION SYSTEM & MANAGEMENT OVERVIEW

Through the establishment of the Shared Service Centre, the Departments of ITI and ENR share Information System development and management resources. The Informatics Division provides information management and information services to both departments under an interdepartmental agreement. This approach allows for increased synergies between departmental systems, and a strong desire to share and collaborate on technology initiatives. To date this approach has been very successful and has resulted in multidepartment systems platforms such as the LISIN Permitting System and the Environmental Assessment and Tracking System, both of which moved into production during the 2008/09 fiscal year.

In 2004 the then Department of Resources Wildlife and Economic Development prepared a 5 year Informatics Strategy to establish priorities and objectives, and guide decision making and investment in Information Systems and Information Management. During 2005 while planning for the creation of the current departments, the strategy was modified to reflect the new priorities.

New Information Systems and Management strategies for the departments are scheduled to be completed during the 2008/09 fiscal year and will guide priority setting and investment strategies for the next three years. This new strategy will draw heavily from the goals, priorities and objectives of this departmental plan as well as those of the 16th Legislative Assembly.

The table below contains the major application systems supporting ITI activities:

- **Contract Registry** – system for public reporting of GNWT contracts over $5,000.
- **Environmental Assessment Tracking System (EATS)** – New multi-departmental system to support GNWT activities in environmental assessments and related activities.
- **LISIN** – system for issuing and tracking licenses and permits.
- **DMACS** – Diamond Monitoring and Certification System used to track and certify diamonds mined in the NWT.
- **Fur Harvest Database** – database used to track the results of annual fur harvests.
- **Licensed Tourism Operators Database** – database used to monitor and track the status of licensed tourism operators in the NWT.
- **Parks Permitting System** – system for issuing campground and day park permits to facility users.
- **Parks Reservation System** – online portal allowing the reservations of campsites by park users.
- **Arts and Crafts Database and Website** - Website and database used to track and catalog northern artists and their crafts in support of the Arts and Crafts sector.
- **The Exceptional Assistant** - New system to track BDIC loans and ITI Grants and Contributions

Planned Activities – 2009/10

In addition to organizational improvement activities such as improved planning, results reporting and project management discipline, the Informatics division is undertaking the following systems development projects:

- **Electronic Records Management:** - ITI is one of the lead departments working on a GNWT wide initiative to implement an electronic records management system. The primary objective of the electronic records management system is to provide a system to allow the efficient storage and retrieval of information.

- **LISIN Phase II:** - builds on the work completed during the 2008/09 fiscal year by introducing new functionality to the application including support for additional wildlife permits; resource harvesting permits; enhanced vendor return data entry; license editing capability and associated audit trail; additional reporting requirements; and enhanced security.

- **Compliance Management Information System:** - an integrated system replacing a myrid of existing and dated applications currently utilized for tracking incidents such as Occurrences, Nuisance Bears, Spills, Investigations, Patrols and related compliance activities, as well as the system for trackingwildlife and parks officer appointments and status including the current safety training status and equipment and firearms related issues. This new system will help to improve the efficiency in monityoring and reporting on these key compliance matters consistant with current legislation.

Planned Activities – 2010/11 and 2011/12

Activities planned for 2010/11 and 2011/12 will be more articulated after the completion of the strategic planning for Information Management and Systems is completed during 2008/09, however, clear criteria for prioritization of projects and initiatives is already apparent and linkages to established priorities have been identified. Systems and Information Management Activities will be focused on:

- Improved levels of and access to services for the residents and businesses of the NWT through the appropriate use of technology. This includes improvements to approaches for collaboration and consultation though the application of technology as well as the enabling of key services over the internet (e-government).

- Increasing the cooperation and collaboration of internal and external stakeholders through the use of technology to help achieve synergies and improve the decision support systems around matters such as regulatory processes and procedures or issues related to the management of the land and other similar initiatives.

- Maximizing operational efficiency of government by the prudent investment in technology in support of process efficiency and automation.

- Increasing the efficient and effective management of information and data in support of improving the quality and timeliness of analysis and business intelligence to support and improve departmental decision support systems.

In addition, the following capital projects are proposed for the 2010/11 fiscal year: 1) LISIN Phase III which focuses on improved access to residents and agents involved in the issuance of permits and licensing, and 2) Completion of the implementation of the Compliance Management Information System based on the analysis and design which will be completed during the 2009/10 fiscal year.